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## 2010 HOMESTEAD CREDIT

### Fact Sheet

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The homestead credit program is designed to soften the impact of property taxes and rent on persons with lower incomes. A 2010 homestead credit claim may be filed using Schedule H-EZ or Schedule H.

This fact sheet provides a general overview of what is new for 2010, the qualifications for claiming the credit, which schedule to file, and the credit computation. Detailed information is available in the instructions for Schedules H and H-EZ. Nothing in this fact sheet replaces or changes any provisions of Wisconsin tax law, administrative rules, or court decisions.

#### NEW FOR 2010

- The household income limit (see “Credit Computation” in the next column) has increased from \$24,500 to \$24,680.
- The dependent deduction allowed in figuring household income has increased from \$250 to \$500.

#### QUALIFICATIONS

You may be able to claim a 2010 homestead credit if:

- You occupied and owned or rented during 2010 a home, apartment, or other dwelling that is subject to Wisconsin property taxes.
- You are a legal resident of Wisconsin for all of 2010.
- You are 18 years of age or older at the end of 2010.
- You cannot be claimed as a dependent on someone else's 2010 federal income tax return. (**Note:** This qualification does not apply if you are 62 years of age or older at the end of 2010.)
- You (and your spouse, if married) will not claim farmland preservation credit or the veterans and surviving spouses property tax credit for 2010.

#### WHICH SCHEDULE TO FILE

You may be able to file Schedule H-EZ if:

- You (and your spouse, if married) have taxable and nontaxable income only from wages, interest and dividends, unemployment compensation, pensions and annuities (including social security benefits), alimony and child support, cash public assistance, and gambling winnings.
- You did not become married or divorced during 2010.
- Your home was used only for personal purposes while you lived there in 2010 (for example, no rental or business use).
- Your home was located on one acre of land or less.
- You did not sell your home during 2010.
- Your spouse (if you are married) was a legal resident of Wisconsin for all of 2010 and you resided with your spouse for all of 2010.

All other claims for homestead credit must be filed using Schedule H.

#### CREDIT COMPUTATION

The credit is based on the relationship of household income to the amount of property taxes and rent. The maximum credit allowed is \$1,168.

Household income includes all taxable and certain nontaxable income, less a deduction of \$500 for each qualifying dependent. If household income is \$24,680 or more, no credit is available.

Property taxes are those levied in 2010, regardless of when they are paid. Rent includes only those amounts actually paid in 2010.